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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 24, 2003

PETITION AND COMPLAINT OF

METROMEDIA ENERGY, INC.

CASE NO. PUE-2003-00006

Regarding Washington Gas Light Company's Plan to
Return Customers to Sales Service Effective
February 1, 2003

ORDER GRANTING TEMPORARY INJUNCTION

On January 24, 2003, Metromedia Energy, Inc. ("MME"), filed a Complaint and Petition for Relief ("Petition") regarding a notice by Washington Gas Light Company ("WGL") stating that WGL will return MME's customers to WGL's sales service effective February 1, 2003, and that WGL will refuse to permit MME's customers to commence service unless MME provides additional financial security to WGL in the amount of \$371,546. Petition at 1. MME is a competitive supplier of natural gas to retail customers in, among other states, Virginia, Maryland, and Washington, D.C. MME claims that forcing its customers to take sales service from WGL will result in significant rate increases for such customers.

MME states that this matter arises from a dispute between WGL and MME as to the appropriate amount of financial security to be provided to WGL by MME. MME asserts that it has offered to WGL, among other things, a security interest and netting agreement regarding some 70,000 Dth of natural gas that it has predelivered to WGL, and a shortening of the default period for failure to deliver so that MME's customers could be returned to WGL's sales service after five days' nondelivery. MME claims that WGL has refused this offer, and that WGL has demanded a bond or

other cash equivalent security. MME asserts that changes in the bond industry have made such bonds available only with the provision of 100% cash collateral, and that providing cash collateral to support a bond of \$371,546 is uneconomic.

MME requests that the Commission initiate an investigation and hearing concerning the issues raised in its Petition and commence proceedings expeditiously so that the issues involved herein are resolved fully, fairly, and quickly. MME further requests that the SCC issue an Order prohibiting WGL from involuntarily returning MME's customers to WGL's sales service, and ordering WGL to permit MME to sell natural gas to customers on WGL's system until such time as the Commission has ruled otherwise.

NOW THE COMMISSION, upon consideration of this matter, issues a temporary injunction prohibiting WGL from, as a result of the dispute between WGL and MME regarding appropriate financial security: (1) returning MME's Virginia retail customers to WGL's sales service; and (2) barring MME from selling natural gas to MME's existing Virginia retail customers on WGL's system. This temporary injunction will expire February 21, 2003, at 11:59 p.m. Correspondence from WGL, which is attached to the Petition, indicates that if MME does not provide the requested security by 5:00 p.m., January 24, 2003, WGL will begin notifying MME's customers that they will be returned to WGL's sales service effective February 1, 2003. Thus, our temporary injunction must be issued today to achieve its intended result.

The Commission subsequently will establish an expedited procedural schedule to resolve the issues raised in the Petition. Pending further order of the Commission, we expect WGL and MME to fully and expeditiously provide information requested by the Commission's Staff in its investigation of this matter.

Accordingly, IT IS ORDERED THAT:

(1) WGL is temporarily enjoined from, as a result of the dispute between WGL and MME regarding appropriate financial security: (1) returning MME's Virginia retail customers to WGL's sales service; and (2) barring MME from selling natural gas to MME's existing Virginia retail customers on WGL's system. This temporary injunction will expire February 21, 2003, at 11:59 p.m.

(2) This case is continued pending further order of the Commission.